
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

☐

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____

Commission File No. 0-5965

NORTHERN TRUST CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

36-2723087

(I.R.S. Employer
Identification No.)

50 South La Salle Street

Chicago, Illinois

(Address of principal executive offices)

60675

(Zip Code)

Registrant's telephone number, including area code: (312) 630-6000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$1.66 2/3 Par Value

Preferred Stock Purchase Rights

Floating Rate Capital Securities, Series A of NTC Capital I, and Series B of NTC Capital II
Fully and Unconditionally Guaranteed by the Registrant

Floating Rate Junior Subordinated Debentures,
Series A and Series B of the Registrant
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by a check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

At February 12, 2001, 226,346,774 shares of Common Stock, \$1.66 2/3 par value, were outstanding, and the aggregate market value of the Common Stock (based upon the last sale price of the common stock at February 12, 2001, as reported by The Nasdaq Stock Market) held by non-affiliates was approximately \$15,311,911,064. Determination of stock ownership by non-affiliates was made solely for the purpose of responding to this requirement and the registrant is not bound by this determination for any other purpose.

Portions of the following documents are incorporated by reference:

Annual Report to Shareholders for the Fiscal Year Ended December 31, 2000 - Part I and Part II

2001 Notice and Proxy Statement for the Annual Meeting of Stockholders to be held on April 17, 2001 - Part III

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Northern Trust Corporation

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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PART I

Item 1–Business

NORTHERN TRUST CORPORATION

Northern Trust Corporation (Corporation) was organized in Delaware in 1971 and that year became the owner of all of the outstanding capital stock, except directors' qualifying shares, of The Northern Trust Company (Bank), an Illinois banking corporation headquartered in the Chicago financial district and the Corporation's principal subsidiary. The Corporation also owns national or state bank subsidiaries in Arizona, California, Colorado, Florida and Texas, a federal savings bank with offices in Michigan, Missouri, Nevada, Ohio, Washington and Wisconsin, a trust company in New York and various other nonbank subsidiaries, including an investment management company, a securities brokerage firm, an international investment consulting firm and a retirement services company. The Corporation expects that, although the operations of other subsidiaries will be of increasing significance, the Bank will in the foreseeable future continue to be the major source of the Corporation's assets, revenues and net income. Except where the context otherwise requires, the term "Northern Trust" refers to Northern Trust Corporation and its consolidated subsidiaries.

At December 31, 2000, Northern Trust had consolidated total assets of approximately \$36.0 billion and stockholders' equity of approximately \$2.5 billion, and was the second largest bank holding company headquartered in Illinois and the 25th largest in the United States.

THE NORTHERN TRUST COMPANY

The Bank was founded by Byron L. Smith in 1889 to provide banking and trust services to the public. Currently in its 112th year, the Bank's growth has come primarily from internal sources rather than through merger or acquisition. At December 31, 2000, the Bank had consolidated assets of approximately \$29.7 billion and common equity capital of approximately \$1.8 billion. At September 30, 2000, the Bank was the third largest bank in Illinois and the 36th largest in the United States, based on consolidated total assets of approximately \$28.9 billion on that date.

The Bank currently has 19 banking offices in the Chicago area and the following active wholly-owned subsidiaries. Northern Trust Investments, Inc., formerly a direct subsidiary of the Corporation, became a subsidiary of the Bank in January 2001. It provides investment management services and products to domestic and international institutional clients. Norlease, Inc. conducts leasing and leasing-related lending activities. MFC Company, Inc. holds properties that are received from the Bank in connection with certain problem loans. NT Mortgage Holdings LLC, a real estate investment trust, holds a 100% participation in a significant portion of the Bank's residential mortgage portfolio, and its parent, NTG Services LLC, conducts market and other studies for the Bank's global businesses. Nortrust Nominees Limited, located in London, is a U.K. trust corporation organized to hold U.K. real estate for fiduciary accounts. The Northern Trust Company U.K. Pension Plan Limited, located in London, was established in connection with the pension plan for the Bank's London Branch. The Northern Trust Company, Canada, located in Toronto, offers institutional trust products and services to Canadian entities.

Also a subsidiary of the Bank, The Northern Trust International Banking Corporation in New York is an Edge Act corporation organized for the purpose of conducting international business. Its business is conducted through the following subsidiaries. Northern Trust (Ireland) Limited, through its three principal subsidiaries, provides trust, custody, fund administration, fund accounting and shareholder registration services to international fund sponsors offering offshore investment funds. Northern Trust Global Investments (Europe) Limited provides investment management services to institutional clients in the United Kingdom and continental Europe. The Northern Trust Company of Hong Kong Limited provides securities lending and relationship servicing for large asset custody clients in Asia and the Pacific Rim. Northern Trust Trade Services Limited facilitates the issuance and processing of commercial letters of credit in Hong Kong. Northern Trust Fund Managers (Ireland) Limited facilitates the offering of off-shore collective investment products to institutional clients.

OTHER NORTHERN TRUST CORPORATION SUBSIDIARIES

The Corporation's Florida banking subsidiary, Northern Trust Bank of Florida N.A., headquartered in Miami, at December 31, 2000 had 25 offices located throughout Florida and consolidated total assets of approximately \$4.1 billion. The Corporation's Arizona banking subsidiary, Northern Trust Bank of Arizona N.A., is headquartered in Phoenix and at December 31, 2000 had consolidated total assets of approximately \$844 million and served clients from nine office locations in Arizona. The Corporation's Texas banking subsidiary, Northern Trust Bank of Texas N.A., headquartered in Dallas, had eight office locations and consolidated total assets of approximately \$761 million at December 31, 2000. The Corporation's California banking subsidiary, Northern Trust Bank of California N.A., is headquartered in Santa Barbara. At December 31, 2000, it had 11 office locations and consolidated total assets of approximately \$1.1 billion. The Corporation's Colorado banking subsidiary, Northern Trust Bank of Colorado, was acquired in 1998. Its one location is in Denver and, at December 31, 2000, it had consolidated total assets of approximately \$80 million. The Corporation's Federal Savings Bank subsidiary, Northern Trust Bank, FSB, commenced operations in 1998. It currently has branch offices in Michigan, Washington and Wisconsin and trust offices in Missouri, Nevada and Ohio. At December 31, 2000, Northern Trust Bank, FSB had consolidated total assets of approximately \$85 million.

The Corporation has several nonbank subsidiaries. Among them is Northern Trust Securities, Inc., which provides full brokerage services to clients of the Bank and the Corporation's other banking and trust subsidiaries and selectively underwrites general obligation tax-exempt securities. Northern Trust Retirement Consulting, L.L.C. is a retirement benefit plan services company in Atlanta, Georgia. Northern Trust Global Advisors, Inc. in Stamford, Connecticut is an international provider of institutional investment management services and is the parent of The Northern Trust Company of Connecticut. Northern Investment Corporation holds certain investments, including a loan made to a developer of a property in which the Bank is the principal tenant. The Northern Trust Company of New York provides security clearance services for all nondepository eligible securities held by trust, agency, and fiduciary accounts administered by the Corporation's subsidiaries. Northern Trust Cayman International, Ltd. provides fiduciary services to clients residing outside of the United States.

INTERNAL ORGANIZATION

Northern Trust, under Chairman and Chief Executive Officer William A. Osborn, organizes client services around two principal business units: Corporate and Institutional Services and Personal Financial Services. Two other business units provide services to the two principal business units: Northern Trust Global Investments, which provides investment management products, and Worldwide Operations and Technology, which provides trust and banking operations and systems activities. The presidents of all four business units report to President and Chief Operating Officer Barry G. Hastings. A Risk Management unit, which focuses on financial and risk management, reports directly to Mr. Osborn.

The following is a brief summary of each unit's business activities.

Corporate and Institutional Services (C&IS)

Headed by Peter L. Rossiter, President – Corporate and Institutional Services, C&IS provides trust, commercial banking and treasury management services to corporate and institutional clients. Trust activities encompass custody services for owners of securities in the United States and foreign markets, as well as securities lending, asset management services and actuarial and recordkeeping services for retirement plans. Services with respect to securities traded in foreign markets are provided primarily through the Bank's London Branch. Related foreign exchange services are rendered at the London and Singapore Branches as well as in Chicago. As measured by assets administered and by number of clients, Northern Trust is a leading provider of Master Trust and Master Custody services to three targeted markets: retirement plans, institutional clients and international clients. Master Trust and Custody includes a full range of state-of-the-art capabilities including: worldwide custody settlement and reporting, cash management, a wide range of investment products, securities lending, and performance analysis services. In addition to Master Trust and Master Custody, C&IS offers a comprehensive array of retirement consulting and recordkeeping services through Northern Trust Retirement Consulting, L.L.C. At December 31, 2000, total assets under administration, excluding personal trust assets, were \$1.5 trillion, of which \$240 billion

were managed. The Northern Trust Company of New York, The Northern Trust Company, Canada, Norlease, Inc., and The Northern Trust International Banking Corporation are also included in C&IS.

C&IS offers a full range of commercial banking services through the Bank, placing special emphasis on developing institutional relationships in two target markets: large domestic corporations and financial institutions (both domestic and international). Treasury management services are provided to corporations and financial institutions and include a variety of other products and services to accelerate cash collections, control disbursement outflows and generate information to manage cash positions.

Personal Financial Services (PFS)

Headed by Mark Stevens, President – Personal Financial Services, PFS encompasses personal trust and investment management services, estate administration, banking and residential real estate mortgage lending. PFS services are delivered through the Bank in Illinois and also through a network of national or state bank subsidiaries located in Arizona, California, Colorado, Florida and Texas, and a federal savings bank subsidiary with branch offices in Michigan, Washington and Wisconsin and trust offices in Missouri, Nevada and Ohio. PFS is one of the largest bank managers of personal trust assets in the United States, with \$98 billion in assets under management and \$169 billion in assets under administration at December 31, 2000.

The PFS strategy is to focus on small/mid-size businesses, owners and executives, retirees and high net worth individuals in each banking subsidiary's target market. The financial needs of families with assets exceeding \$100 million are served through its Wealth Management Group internationally. Northern Trust Securities, Inc. is also a part of PFS.

Northern Trust Global Investments (NTGI)

Headed by Stephen B. Timbers, President – Northern Trust Global Investments, NTGI, through various subsidiaries of the Corporation, provides investment management services and products to clients of C&IS, PFS and NTGI itself. NTGI's activities include equity and fixed income research and portfolio management. NTGI also provides investment advisory and related services to two families of proprietary mutual funds: the Northern Institutional Funds, which are directed at corporate and institutional investors, and the Northern Funds, which are directed at individual and personal trust investors. Northern Trust Investments, Inc., which includes two operating divisions, Northern Trust Quantitative Advisors and Northern Trust Value Investors, is included in NTGI, as is Northern Trust Global Advisors, Inc.

Worldwide Operations and Technology (WWOT)

Headed by James J. Mitchell, President – Worldwide Operations and Technology, WWOT supports all of Northern Trust's business activities, including the sales, relationship management, transaction processing and product management activities of C&IS, PFS and NTGI. These activities are conducted principally in the operations and technology centers in Chicago and London. The Northern Trust Company of New York is also part of this unit.

Risk Management

The Risk Management Unit, headed by Vice Chairman and Chief Financial Officer Perry R. Pero, includes the Credit Policy and Treasury functions. The Credit Policy function is described in the sections of the Annual Report to Shareholders for the year ended December 31, 2000 referenced on page 39. The Treasury Department is responsible for managing the Bank's wholesale funding, capital position and interest rate risk, as well as the portfolio of interest rate risk management instruments under the direction of the Corporate Asset and Liability Policy Committee. It is also responsible for the investment portfolios of the Corporation and the Bank and provides investment advice and management services to the subsidiary banks.

The Risk Management Unit also includes the Corporate Controller, Corporate Treasurer, Investor Relations and Economic Research functions.

GOVERNMENT POLICIES

The earnings of Northern Trust are affected by numerous external influences. Chief among these are general economic conditions, both domestic and international, and actions that the United States and foreign governments and their central banks take in managing their economies. These general conditions affect all of the Northern Trust's businesses, as well as the quality, value and profitability of their loan and investment portfolios.

The Board of Governors of the Federal Reserve System is an important regulator of domestic economic conditions and has the general objective of promoting orderly economic growth in the United States. Implementation of this objective is accomplished by its open market operations in United States Government securities, its setting of the discount rate at which member banks may borrow from Federal Reserve Banks and its changes in the reserve requirements for deposits. The policies adopted by the Federal Reserve Board may strongly influence interest rates and hence what banks earn on their loans and investments and what they pay on their savings and time deposits and other purchased funds. Fiscal policies in the United States and abroad also affect the composition and use of Northern Trust's resources.

COMPETITION

Northern Trust's principal business strategy is to provide quality financial services to targeted markets in which it believes it has a competitive advantage and favorable growth prospects. As part of this strategy, Northern Trust seeks to deliver a level of service to its clients that distinguishes it from its competitors. In addition, Northern Trust emphasizes the development and growth of recurring sources of fee-based income and is one of a select group of major bank holding companies in the United States that generates more revenues from fee-based services than from net interest income. Northern Trust seeks to develop and expand its recurring fee-based revenue by identifying selected markets with good growth characteristics and providing a high level of individualized service to its clients in those markets. Northern Trust also seeks to preserve its asset quality through established credit review procedures and to maintain a conservative balance sheet. Finally, Northern Trust seeks to operate with a strong management team that includes senior officers having broad experience and long tenure.

Active competition exists in all principal areas in which Northern Trust presently engages in business. C&IS is a leading provider of Master Trust and Custody Services. The primary providers in this market, in addition to Northern Trust, are State Street Corporation, The Bank of New York Company, Inc., Mellon Financial Corporation, J. P. Morgan Chase & Co., Deutsche Bank A.G. and Citigroup Inc. In providing commercial banking and treasury management services, Northern Trust competes with domestic and foreign banks. Within the middle market segment, Northern Trust's competitors are primarily the other Chicago banks, including Bank One Corporation, LaSalle Bank N.A., and Harris Bankcorp, Inc. Credit services, especially those provided to Fortune 500 companies, face increased competition due to the general trend for corporations to rely more upon direct access to the credit and capital markets (such as through the direct issuance of commercial paper) and less upon traditional financial intermediaries such as commercial banks.

PFS competition is specific to each geographic market but typically consists of local banks and trust companies, brokerage firms, mutual fund firms and asset management companies. In the Chicago area Northern Trust has the leading share of the personal trust market, and in Florida Northern Trust is the second largest provider of personal trust services. U.S. Trust Corporation, a banking organization with a strategy similar to that of PFS which was acquired by the Charles Schwab Corporation in 2000, competes with PFS in certain markets.

REGULATION AND SUPERVISION

Bank Holding Company Act

The Corporation is a bank holding company subject to the Bank Holding Company Act of 1956, as amended (the BHCA), and to regulation by the Board of Governors of the Federal Reserve System. The BHCA limits the activities which may be engaged in by the Corporation and its nonbanking subsidiaries to those so closely related to banking or managing or controlling banks as to be a proper incident thereto. Also, under section 106 of the 1970 amendments to the BHCA and subject to certain exceptions, subsidiary banks are prohibited from engaging

in certain tie-in arrangements with nonbanking affiliates in connection with any extension of credit or provision of any property or services.

The BHCA also prohibits bank holding companies from acquiring substantially all the assets of or owning more than 5% of the voting shares of any bank or nonbanking company which is not already majority owned without prior approval of the Board of Governors.

Gramm-Leach-Bliley Act

On November 12, 1999, the President signed into law the Gramm-Leach-Bliley Act (the GLB Act). The GLB Act significantly changes financial services regulation by expanding permissible nonbanking activities of bank holding companies and removing certain legal barriers to affiliations among banks, insurance companies, securities firms and other financial services entities. These new activities can be conducted through a holding company structure or, subject to certain limitations, through a financial subsidiary of a bank. The GLB Act also establishes a system of federal and state regulation based on functional regulation, meaning that primary regulatory oversight for a particular activity will generally reside with the federal or state regulator designated as having the principal responsibility for that activity. Banking is to be supervised by banking regulators, insurance by state insurance regulators and securities activities by the SEC and state securities regulators. The GLB Act also establishes a minimum federal standard of financial privacy by, among other provisions, requiring banks to adopt and disclose privacy policies with respect to consumer information and setting forth certain rules with respect to consumer information. The GLB Act also requires the disclosure of agreements reached with community groups that relate to the Community Reinvestment Act, and contains various other provisions designed to improve the delivery of financial services to consumers while maintaining an appropriate level of safety in the financial services industry.

The GLB Act repeals the anti-affiliation provisions of the Glass-Steagall Act and revises the BHCA to permit qualifying holding companies, called “financial holding companies,” to engage in, or to affiliate with companies engaged in, a full range of financial activities including banking, insurance activities (including insurance underwriting and portfolio investing), securities activities, merchant banking and additional activities that are “financial in nature,” incidental to financial activities or, in certain circumstances, complementary to financial activities. A bank holding company’s subsidiary banks must be “well-capitalized” and “well-managed” and have at least a “satisfactory” Community Reinvestment Act rating for the bank holding company to elect status as a financial holding company. The Corporation’s banking subsidiaries currently meet these requirements.

A significant component of the functional regulation provided in the GLB Act relates to the application of federal securities laws and SEC oversight of bank securities activities previously subject to blanket exemptions. Among other things, the GLB Act amends the definitions of “broker” and “dealer” under the Securities Exchange Act of 1934 to remove the blanket exemption for banks. Following effectiveness of these amendments in May 2001, banks will be able to conduct securities activities without broker-dealer registration only if the activities fall within a set of activity-based exemptions designed to allow banks to conduct only those activities traditionally considered to be primarily banking or trust activities. Securities activities outside these exemptions will, as a practical matter, need to be conducted by a registered broker-dealer affiliate. The GLB Act also amends, effective May 2001, the Investment Advisers Act of 1940 to require the registration of any bank or separately identifiable division of the bank that acts as investment adviser for mutual funds.

The Corporation has completed its evaluation of the effects of the GLB Act on its activities. The Bank and the Corporation’s other banking subsidiaries have also evaluated their securities activities, particularly fiduciary activities, in light of the amendments to the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940 discussed above, to determine what, if any, additional registrations may be required and whether certain activities currently engaged in by any of the banks should instead be conducted by a nonbanking affiliate. As a consequence of the GLB Act, the investment adviser for the Corporation’s proprietary mutual funds must be a registered investment adviser, and a number of the Corporation’s employees engaging in securities brokerage activities who were not previously registered must become registered. These actions have been, or are being, taken. The Corporation has not elected to become a financial holding company and would expect to do so if and when it proposes to conduct, outside a financial subsidiary, one of the activities specifically authorized for financial holding companies by the GLB Act. The Corporation does expect that the affiliations and activities

permitted financial services organizations will over time change the nature of its competition, but it is not possible to predict the full nature and effect of the changes that may occur.

Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994

The Interstate Act permits an adequately capitalized and adequately managed bank holding company to acquire, with Federal Reserve Board approval, a bank located in a state other than the bank holding company's home state, without regard to whether the transaction is permitted under any state law, except that a host state may establish by statute the minimum age of its banks (up to a maximum of 5 years) subject to acquisition by out-of-state bank holding companies. The Federal Reserve Board may not approve the acquisition if the applicant bank holding company, upon consummation, would control more than 10% of total U.S. insured depository institution deposits or more than 30% of the host state's total insured depository institution deposits except in certain cases. The Interstate Act also permits a bank, with the approval of the appropriate federal bank regulatory agency, to establish a de novo branch in a state, other than the bank's home state, in which the bank does not presently maintain a branch if the host state has enacted a law that applies equally to all banks and expressly permits all out-of-state banks to branch de novo into the host state. Banks having different home states may, with approval of the appropriate federal bank regulatory agency, merge across state lines, unless the home state of a participating bank opted-out of the Interstate Act prior to June 1, 1997. Two states opted-out prior to that date: Montana and Texas. In addition, the Interstate Act permits any bank subsidiary of a bank holding company to receive deposits, renew time deposits, close loans, service loans and receive payments on loans and other obligations as agent for a bank or certain grandfathered thrift affiliates, whether such banks and thrifts are located in a different state or in the same state.

Subsidiary Regulation

The Bank is a member of the Federal Reserve System, its deposits are insured by the FDIC, and it is subject to regulation by both these entities, as well as by the Illinois Office of Banks and Real Estate. The Bank is also a member of and subject to the rules of the Chicago Clearinghouse Association, and is registered as a government securities dealer in accordance with the Government Securities Act of 1986. As a government securities dealer its activities are subject to the rules and regulations of the Department of the Treasury. The Bank is registered as a transfer agent with the Federal Reserve and is therefore subject to the rules and regulations of the Federal Reserve in this area. State laws governing the Corporation's banking subsidiaries generally allow each bank to establish branches anywhere in its state.

The national bank subsidiaries are members of the Federal Reserve System and the FDIC and are subject to regulation by the Office of the Comptroller of the Currency. Northern Trust Bank, FSB is a Federal Savings Bank which is not a member of the Federal Reserve System and is subject to regulation by the Office of Thrift Supervision and the FDIC. Northern Trust Bank of Colorado, a state chartered institution that also is not a member of the Federal Reserve System, is regulated by the FDIC and the Colorado Division of Banking.

The Corporation's nonbanking affiliates are all subject to examination by the Federal Reserve. In addition, The Northern Trust Company of New York is subject to regulation by the Banking Department of the State of New York. Northern Trust Securities, Inc. is registered as a broker-dealer with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc., and, as such, is subject to the rules and regulations of both these bodies. Northern Trust Retirement Consulting, L.L.C., Northern Trust Global Advisors, Inc., Northern Trust Investments, Inc., and Northern Trust Bank, FSB are each registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 and are subject to that Act and the rules and regulations of the Commission promulgated thereunder. In addition, Northern Trust Investments, Inc. is subject to regulation by the Illinois Office of Banks and Real Estate, and Northern Trust Retirement Consulting, L.L.C. is registered as a transfer agent with the Securities and Exchange Commission under the Securities Exchange Act of 1934 and is subject to that Act and the rules and regulations of the Commission promulgated thereunder. The Northern Trust Company of Connecticut is subject to regulation by the Connecticut Department of Banking. Two families of mutual funds for which the Bank acts as investment adviser are subject to regulation by the Securities and Exchange Commission under the Investment Company Act. The Bank also acts as investment adviser of an

investment company which is subject to regulation by the Central Bank of Ireland under the Companies Act, 1990. Various other subsidiaries and branches conduct business in other states and foreign countries and are subject to their regulations and restrictions.

The Corporation and its subsidiaries are affiliates within the meaning of the Federal Reserve Act so that the banking subsidiaries are subject to certain restrictions with respect to loans to the Corporation or its nonbanking subsidiaries and certain other transactions with them or involving their securities. Information regarding these restrictions, and dividend restrictions on banking subsidiaries, is incorporated herein by reference to Note 14 titled "Restrictions on Subsidiary Dividends and Loans or Advances" on page 63 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Capital Regulation

Under the FDIC's risk-based insurance assessment system, each insured bank is placed in one of nine risk categories based on its level of capital and other relevant information. Each insured bank's insurance assessment rate is then determined by the risk category in which it has been classified by the FDIC. There is currently a 27 basis point spread between the highest and lowest assessment rates, so that banks classified as strongest by the FDIC are subject in 2001 to no insurance assessment, and banks classified as weakest by the FDIC are subject to an insurance assessment rate of .27%. In addition to its insurance assessment, each insured bank is subject in 2001 to quarterly debt service assessments in connection with bonds issued by a government corporation that financed the federal savings and loans bailout. The first quarter 2001 debt service assessment was .0196%.

The Federal bank regulators have adopted risk-based capital guidelines for bank holding companies and banks. The minimum ratio of qualifying total capital to risk-weighted assets, including certain off-balance sheet items (Total Capital Ratio), is 8%. The minimum ratio of "Tier 1 Capital" to risk-weighted assets (Tier 1 Capital Ratio) is 4%. "Tier 1 Capital" means that portion of total capital that is comprised of common stock, related surplus, retained earnings, noncumulative perpetual preferred stock, minority interests and, for bank holding companies, a limited amount of qualifying cumulative perpetual preferred stock, less certain intangibles including goodwill. The balance of total capital (Tier 2 Capital) may consist of other preferred stock, certain other instruments, limited amounts of unrealized gains on equity securities and limited amounts of subordinated debt and the loan and lease loss allowance.

The Federal Reserve Board risk-based capital standards contemplate that evaluation of capital adequacy will consider other factors, including overall interest rate exposure; liquidity, funding and market risks; the quality and level of earnings; investment, loan portfolio, and other concentrations of credit; certain risks arising from nontraditional activities; the quality of loans and investments; the effectiveness of loan and investment policies; and management's overall ability to monitor and control financial and operating risks.

In addition, the Federal Reserve has established minimum Leverage Ratio (Tier 1 capital to quarterly average total assets) guidelines for bank holding companies and banks. These guidelines provide for a minimum Leverage Ratio of 3% for bank holding companies and banks that meet certain specified criteria, including having the highest regulatory rating. All other banking organizations are required to maintain a Leverage Ratio of at least 4%. The guidelines also provide that banking organizations experiencing internal growth or making acquisitions will be expected to maintain strong capital positions substantially above the minimum supervisory levels without significant reliance on intangible assets. Furthermore, the guidelines indicate that the Federal Reserve Board will continue to consider a "Tangible Tier 1 Leverage Ratio" in evaluating proposals for expansion or new activities. The Tangible Tier 1 Leverage Ratio is the ratio of Tier 1 capital, less intangibles not deducted from Tier 1 capital, to quarterly average total assets. As of December 31, 2000, the Federal Reserve had not advised the Corporation of any specific minimum Tangible Tier 1 Leverage Ratio applicable to it. At December 31, 2000, the Corporation had a Tangible Tier 1 Leverage Ratio of 6.9%.

Cross-Guarantees Under the Federal Deposit Insurance Act

Under the Federal Deposit Insurance Act (FDIA), when two or more insured depository institutions are under common control, each of those depository institutions may be liable for any loss incurred, or expected to be incurred, by the Federal Deposit Insurance Corporation (FDIC) in connection with the default of any of the others. Each may also be liable for any assistance the FDIC provides to the other institutions. "Default" means the appointment of a conservator or receiver for the institution. Thus, any of the Corporation's banking subsidiaries could be liable to the FDIC if the FDIC were to suffer a loss in connection with any of the Corporation's other banking subsidiaries. This cross-guarantee liability for a loss at a commonly controlled institution would be subordinated in right of payment to deposit liabilities, secured obligations, any other general or senior liability and any obligation subordinated to depositors or other general creditors, other than obligations owed to any affiliate of the depository institution (with certain exceptions). Although neither the Corporation nor any of its nonbanking subsidiaries may be assessed for such loss under the FDIA, the Corporation has agreed to indemnify each of its banking subsidiaries, other than the Bank, for any payments a banking subsidiary may be liable to pay to the FDIC pursuant to these provisions of the FDIA.

Federal Deposit Insurance Corporation Improvement Act

In addition to the effects of the provisions described above, the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA) substantially revised the depository institution regulatory and funding provisions of the FDI Act and made revisions to several other federal banking statutes.

Under FDICIA, the federal banking regulators must take prompt supervisory and regulatory actions against undercapitalized depository institutions. FDICIA establishes five capital tiers: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" and "critically undercapitalized." A depository institution's capital tier will depend upon how its capital levels compare to various relevant capital measures and certain other factors, as established by regulation. Under current regulations, an FDIC-insured bank is defined to be well capitalized if it maintains a Leverage Ratio (Tier 1 capital to quarterly average total assets) of at least 5%, a Total Capital Ratio (qualifying total capital to risk-weighted assets, including certain off-balance sheet items) of at least 10% and a Tier 1 Capital Ratio (Tier 1 capital to risk-weighted assets) of at least 6% and is not otherwise in a "troubled condition" as specified by its appropriate federal regulatory agency. A bank is generally considered to be adequately capitalized if it is not defined to be well capitalized but meets all of its minimum capital requirements—that is, if it has a Leverage Ratio of 4% or greater (or a Leverage Ratio of 3% or greater if the institution is rated in the top category in its most recent report of examination), a Total Capital Ratio of 8% or greater and a Tier 1 Capital Ratio of 4% or greater. A bank will be considered undercapitalized if it fails to meet any minimum required measure, significantly undercapitalized if it is significantly below that measure and critically undercapitalized if it maintains a level of tangible equity capital equal to or less than 2% of total assets. A bank may be reclassified to be in the category that is next below that indicated by its actual capital position if it receives a less than satisfactory examination rating by its examiners with respect to its assets, management, earnings, liquidity or sensitivity to market risk that has not been corrected, or it is determined that the bank is in an unsafe or unsound condition or engaged in an unsafe or unsound practice.

At December 31, 2000, the Bank and each of the Corporation's other subsidiary banks met or exceeded the minimum regulatory ratios that are among the conditions for them to be considered well capitalized. For further discussion of regulatory capital requirements and information about the capital position of the Corporation and the Bank, see pages 46 and 47 of "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 28, titled "Regulatory Capital Requirements" on page 75 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

FDICIA generally prohibits a depository institution from making any capital distribution (including payment of dividends) or paying any management fee to its holding company if the depository institution would thereafter be undercapitalized. Undercapitalized depository institutions are subject to growth limitations and are required to submit a capital restoration plan. If a depository institution fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized.

Under FDICIA, a bank that is not well capitalized is generally prohibited from accepting or renewing brokered deposits, except with a waiver from the FDIC, and offering interest rates on brokered deposits significantly higher than the prevailing rate in its normal market area or nationally (depending upon where the deposits are solicited); in addition, "pass-through" insurance coverage may not be available for certain employee benefit accounts.

Significantly undercapitalized depository institutions may be subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. Critically undercapitalized depository institutions may be restricted from making payments of principal and interest on subordinated debt and are subject to appointment of a receiver or conservator.

STAFF

Northern Trust employed 9,466 full-time equivalent officers and staff members as of December 31, 2000, approximately 6,800 of whom were employed by the Bank.

STATISTICAL DISCLOSURES

The following statistical disclosures, included in the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, are incorporated herein by reference.

Schedule	2000 Annual Report Page(s)
Ratios	27
Foreign Outstandings	41
Nonperforming Assets and 90 Day Past Due Loans.	41-42
Average Statement of Condition with Analysis of Net Interest Income.	80-81

Additional statistical information on a consolidated basis is set forth below.

Remaining Maturity and Average Yield of Securities Held to Maturity and Available for Sale

(Yield calculated on amortized cost and presented on a taxable equivalent basis giving effect to the applicable federal and state tax rates)

	December 31, 2000								
	One Year or Less		One to Five Years		Five to Ten Years		Over Ten Years		Average
(\$ in Millions)	Book	Yield	Book	Yield	Book	Yield	Book	Yield	Maturity
Securities Held to Maturity									
U.S. Government	\$ 55.0	6.64%	\$ -	- %	\$ -	- %	\$ -	- %	4 mos.
Obligations of States and Political Subdivisions	16.6	9.71	79.4	10.29	143.2	8.12	196.5	7.52	108 mos.
Federal Agency	1.0	7.32	2.2	7.13	1.1	6.76	1.2	5.62	69 mos.
Other-Fixed	10.8	7.84	41.5	8.10	51.1	8.34	30.8	6.37	86 mos.
-Floating	-	-	2.2	7.49	.7	7.21	145.1	7.49	119 mos.
Total Securities Held to Maturity	\$ 83.4	8.32%	\$ 125.3	9.46%	\$ 196.1	8.17%	\$373.6	7.41%	99 mos.
Securities Available for Sale									
U.S. Government	\$ 173.6	6.64%	\$ 1.0	6.88%	\$ -	- %	\$ -	- %	7 mos.
Obligations of States and Political Subdivisions	-	-	-	-	.2	7.13	15.5	6.49	129 mos.
Federal Agency	6,158.6	6.85	11.7	7.03	1.7	7.03	.1	6.86	5 mos.
Other-Fixed	.1	2.63	-	-	-	-	.1	-	82 mos.
-Floating	17.9	7.20	.3	7.16	5.9	7.53	91.1	7.15	101 mos.
Total Securities Available for Sale	\$6,350.2	6.85%	\$ 13.0	7.02%	\$ 7.8	7.41%	\$106.8	7.05%	7 mos.

	December 31, 1999								
	One Year or Less		One to Five Years		Five to Ten Years		Over Ten Years		Average
(\$ in Millions)	Book	Yield	Book	Yield	Book	Yield	Book	Yield	Maturity
Securities Held to Maturity									
U.S. Government	\$ 55.1	6.60%	\$ -	- %	\$ -	- %	\$ -	- %	6 mos.
Obligations of States and Political Subdivisions	41.0	11.19	79.7	10.26	103.1	8.66	252.2	7.55	110 mos.
Federal Agency	-	-	.2	3.50	.2	3.50	.5	3.50	133 mos.
Other-Fixed	12.3	6.71	30.9	8.16	35.8	8.29	30.3	7.01	78 mos.
-Floating	.3	8.00	1.8	6.72	.6	6.62	108.7	6.45	118 mos.
Total Securities Held to Maturity	\$ 108.7	8.35%	\$112.6	9.61%	\$139.7	8.55%	\$391.7	7.20%	99 mos.
Securities Available for Sale									
U.S. Government	\$ 191.5	5.67%	\$.5	5.83%	\$ -	- %	\$ -	- %	7 mos.
Obligations of States and Political Subdivisions	-	-	-	-	-	-	15.3	6.48	141 mos.
Federal Agency	4,918.8	6.05	180.3	6.09	5.4	6.76	1.1	6.45	7 mos.
Other-Fixed	.2	5.08	-	-	-	-	-	-	45 mos.
-Floating	58.5	5.43	10.9	7.74	6.1	6.81	91.4	6.55	74 mos.
Total Securities Available for Sale	\$5,169.0	6.03%	\$191.7	6.18%	\$ 11.5	6.79%	\$107.8	6.53%	10 mos.

Securities Held to Maturity and Available for Sale

(In Millions)	December 31				
	2000	1999	1998	1997	1996
Securities Held to Maturity					
U.S. Government	\$ 55.0	\$ 55.1	\$ 55.3	\$ 72.0	\$ 73.4
Obligations of States and Political Subdivisions	435.7	476.0	261.8	276.7	315.9
Federal Agency	5.5	.9	3.0	14.3	18.2
Other	282.2	220.7	152.4	93.1	90.9
Total Securities Held to Maturity	\$ 778.4	\$ 752.7	\$ 472.5	\$ 456.1	\$ 498.4
Securities Available for Sale					
U.S. Government	\$ 174.6	\$ 192.0	\$ 260.0	\$ 470.0	\$ 906.7
Obligations of States and Political Subdivisions	15.7	15.3	266.1	130.2	117.0
Federal Agency	6,172.1	5,105.6	4,695.4	2,969.8	3,096.9
Other	115.4	167.1	153.7	163.3	191.1
Total Securities Available for Sale	\$ 6,477.8	\$ 5,480.0	\$ 5,375.2	\$ 3,733.3	\$ 4,311.7
Average Total Securities	\$ 9,687.0	\$ 7,956.4	\$ 7,470.8	\$ 6,374.2	\$ 6,363.8
Total Securities at Year-End	\$ 7,269.6	\$ 6,243.7	\$ 5,856.8	\$ 4,198.2	\$ 4,814.9

Loans and Leases by Type

(In Millions)	December 31				
	2000	1999	1998	1997	1996
Domestic					
Residential Real Estate	\$ 6,822.8	\$ 6,257.7	\$ 5,885.2	\$ 5,186.7	\$ 4,557.5
Commercial	4,796.8	4,704.1	3,937.9	3,734.8	3,161.4
Broker	126.4	88.8	147.6	170.1	389.1
Commercial Real Estate	911.0	780.4	677.1	582.1	557.7
Personal	2,289.3	1,659.9	1,463.4	1,207.2	989.8
Other	1,207.1	566.5	509.6	890.1	632.1
Lease Financing	1,034.4	691.5	528.3	347.0	267.8
Total Domestic	17,187.8	14,748.9	13,149.1	12,118.0	10,555.4
International	956.8	625.6	497.8	470.2	382.0
Total Loans and Leases	\$18,144.6	\$15,374.5	\$13,646.9	\$12,588.2	\$10,937.4
Average Loans and Leases	\$16,548.6	\$14,547.8	\$13,315.0	\$11,812.9	\$10,332.1

Remaining Maturity of Selected Loans and Leases

(In Millions)	December 31, 2000			
	Total	One Year or Less	One to Five Years	Over Five Years
Domestic (Excluding Residential Real Estate and Personal Loans)				
Commercial	\$ 4,796.8	\$ 3,739.9	\$ 772.4	\$ 284.5
Commercial Real Estate	911.0	248.8	427.9	234.3
Other	1,333.5	1,310.4	13.6	9.5
Lease Financing	1,034.4	46.8	187.9	799.7
Total Domestic	8,075.7	5,345.9	1,401.8	1,328.0
International	956.8	702.6	252.9	1.3
Total Selected Loans and Leases	\$ 9,032.5	\$ 6,048.5	\$ 1,654.7	\$ 1,329.3
Interest Rate Sensitivity of Loans and Leases				
Fixed Rate	\$ 7,494.5	\$ 5,136.3	\$ 1,198.9	\$ 1,159.3
Variable Rate	1,538.0	912.2	455.8	170.0
Total	\$ 9,032.5	\$ 6,048.5	\$ 1,654.7	\$ 1,329.3

Average Deposits by Type

(In Millions)	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Domestic Offices					
Demand and Noninterest-Bearing					
Individuals, Partnerships and Corporations	\$ 2,055.2	\$ 1,980.7	\$ 1,765.6	\$ 1,754.6	\$ 1,801.8
Correspondent Banks	44.4	68.0	87.2	92.8	115.2
Other	1,870.6	1,606.7	1,375.2	1,116.5	815.9
Total	3,970.2	3,655.4	3,228.0	2,963.9	2,732.9
Time					
Savings and Money Market	5,203.9	4,845.3	4,263.3	3,895.4	3,620.7
Savings Certificates less than \$100,000	918.3	1,022.7	1,085.0	1,076.5	1,169.6
Savings Certificates \$100,000 and more	1,345.0	1,168.3	1,059.5	959.3	892.8
Other	964.6	650.5	571.8	717.3	549.2
Total	8,431.8	7,686.8	6,979.6	6,648.5	6,232.3
Total Domestic Offices	12,402.0	11,342.2	10,207.6	9,612.4	8,965.2
Foreign Offices					
Demand	580.4	430.6	503.8	486.4	347.8
Time	8,064.5	6,592.1	5,781.7	4,971.2	3,826.2
Total Foreign Offices	8,644.9	7,022.7	6,285.5	5,457.6	4,174.0
Total Deposits	\$21,046.9	\$18,364.9	\$16,493.1	\$15,070.0	\$13,139.2

Average Rates Paid on Time Deposits by Type

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Time Deposits – Domestic Offices					
Savings and Money Market	3.97%	3.21%	3.31%	3.23%	3.16%
Savings Certificates less than \$100,000	5.66	5.40	5.79	5.86	5.85
Savings Certificates \$100,000 and more	6.02	5.31	5.60	5.63	5.67
Other Time	6.13	5.03	5.35	5.50	5.44
Total Domestic Offices	4.73	3.98	4.21	4.25	4.23
Total Foreign Offices Time	5.35	4.34	4.95	4.82	4.82
Total Time Deposits	5.03%	4.15%	4.55%	4.49%	4.45%

Remaining Maturity of Time Deposits \$100,000 and more

(In Millions)	December 31, 2000			December 31, 1999		
	Domestic Offices		Foreign Offices	Domestic Offices		Foreign Offices
	Certificates of Deposit	Other Time		Certificates of Deposit	Other Time	
3 Months or Less	\$1,074.7	\$ 5.7	\$8,941.2	\$1,529.7	\$ 5.7	\$7,811.9
Over 3 through 6 Months	314.6	1.8	169.4	382.4	5.5	36.8
Over 6 through 12 Months	335.3	2.8	53.2	271.2	3.1	22.4
Over 12 Months	292.2	1.9	8.7	205.4	3.4	3.8
Total	\$2,016.8	\$12.2	\$9,172.5	\$2,388.7	\$17.7	\$7,874.9

Purchased Funds**Federal Funds Purchased**

(Overnight Borrowings)

(\$ in Millions)	2000	1999	1998
Balance on December 31	\$3,615.0	\$ 370.2	\$2,025.1
Highest Month-End Balance	3,947.2	4,586.3	3,505.3
Year—Average Balance	2,644.7	3,226.1	2,620.6
—Average Rate	6.34%	4.99%	5.34%
Average Rate at Year-End	5.54	3.96	4.43

Securities Sold under Agreements to Repurchase

(\$ in Millions)	2000	1999	1998
Balance on December 31	\$1,577.1	\$ 997.8	\$2,114.9
Highest Month-End Balance	3,353.9	3,573.2	4,136.0
Year—Average Balance	1,476.4	1,954.5	1,506.0
—Average Rate	6.22%	4.90%	5.33%
Average Rate at Year-End	6.16	3.36	4.59

Other Borrowings

(Includes Treasury Tax and Loan Demand Notes and Term Federal Funds Purchased)

(\$ in Millions)	2000	1999	1998
Balance on December 31	\$2,629.5	\$1,155.3	\$1,099.2
Highest Month-End Balance	6,348.5	6,995.4	7,122.8
Year—Average Balance	3,890.0	2,177.3	2,540.4
—Average Rate	6.30%	5.02%	5.21%
Average Rate at Year-End	4.89	5.65	3.88

Total Purchased Funds

(\$ in Millions)	2000	1999	1998
Balance on December 31	\$7,821.6	\$2,523.3	\$5,239.2
Year—Average Balance	8,011.1	7,357.9	6,667.0
—Average Rate	6.30%	4.97%	5.29%

Commercial Paper

(\$ in Millions)	2000	1999	1998
Balance on December 31	\$ 142.4	\$ 145.1	\$ 148.1
Highest Month-End Balance	150.3	145.1	149.6
Year—Average Balance	138.3	141.0	145.9
—Average Rate	6.40%	5.15%	5.51%
Average Rate at Year-End	6.47	6.09	5.40

Changes in Net Interest Income

(Interest on a Taxable Equivalent Basis) (In Millions)	2000/1999			1999/1998		
	Change Due To			Change Due To		
	Volume	Rate	Total	Volume	Rate	Total
Increase (Decrease) in Interest Income						
Money Market Assets						
Federal Funds Sold and Resell Agreements	\$ (28.6)	\$ 13.2	\$ (15.4)	\$ 6.6	\$ (3.8)	\$ 2.8
Time Deposits with Banks	14.1	27.6	41.7	33.9	(24.6)	9.3
Other	(2.2)	1.4	(.8)	1.9	(.4)	1.5
Securities						
U.S. Government	(2.9)	2.0	(.9)	(4.8)	(2.1)	(6.9)
Obligations of States and Political Subdivisions	(1.8)	—	(1.8)	5.2	(2.9)	2.3
Federal Agency	113.8	90.2	204.0	24.1	(22.6)	1.5
Other	6.7	3.0	9.7	3.8	(.4)	3.4
Trading Account	—	.1	.1	—	—	—
Loans and Leases	140.4	80.2	220.6	79.7	(25.4)	54.3
Total	\$ 239.5	\$ 217.7	\$ 457.2	\$150.4	\$ (82.2)	\$ 68.2
Increase (Decrease) in Interest Expense						
Deposits						
Savings and Money Market	\$ 14.2	\$ 37.0	\$ 51.2	\$ 18.7	\$ (4.4)	\$ 14.3
Savings Certificates	4.2	11.5	15.7	2.5	(7.3)	(4.8)
Other Time	19.3	7.1	26.4	4.0	(1.9)	2.1
Foreign Offices Time	78.8	66.3	145.1	35.2	(35.3)	(.1)
Federal Funds Purchased	(36.9)	43.7	6.8	30.2	(9.0)	21.2
Repurchase Agreements	(29.7)	25.7	(4.0)	22.0	(6.4)	15.6
Commercial Paper	(.2)	1.7	1.5	(.2)	(.5)	(.7)
Other Borrowings	108.0	28.0	136.0	(18.3)	(4.8)	(23.1)
Senior Notes	(5.2)	9.0	3.8	(3.9)	(2.0)	(5.9)
Long-Term Debt	6.6	.3	6.9	6.9	(.8)	6.1
Debt-Floating Rate Capital Securities	—	3.3	3.3	—	(.8)	(.8)
Total	\$ 159.1	\$ 233.6	\$ 392.7	\$ 97.1	\$ (73.2)	\$ 23.9
Increase (Decrease) In Net Interest Income	\$ 80.4	\$ (15.9)	\$ 64.5	\$ 53.3	\$ (9.0)	\$ 44.3

Note: Changes not due only to volume changes or rate changes are included in the change due to rate column.

Analysis of Reserve for Credit Losses

(In Millions)	2000	1999	1998	1997	1996
Balance at Beginning of Year	\$ 150.9	\$ 146.8	\$ 147.6	\$ 148.3	\$ 147.1
Charge-Offs					
Residential Real Estate	.4	1.0	.8	.8	.2
Commercial	12.1	7.2	9.6	11.4	6.2
Commercial Real Estate	.2	.3	.3	.7	7.4
Personal	.7	1.1	.8	1.3	1.5
Other	.1	.2	.3	.2	.1
Lease Financing	—	—	—	—	—
International	—	—	—	—	.2
Total Charge-Offs	13.5	9.8	11.8	14.4	15.6
Recoveries					
Residential Real Estate	.1	.2	.2	.1	.2
Commercial	.8	.6	.6	2.3	.5
Commercial Real Estate	.2	.1	.7	1.6	1.9
Personal	.2	.4	.3	.6	.6
Other	.2	.1	—	.1	.1
Lease Financing	—	—	—	—	—
International	—	—	—	—	.5
Total Recoveries	1.5	1.4	1.8	4.7	3.8
Net Charge-Offs	12.0	8.4	10.0	9.7	11.8
Provision for Credit Losses	24.0	12.5	9.0	9.0	12.0
Reserve Related to Acquisitions	—	—	.2	—	1.0
Net Change in Reserve	12.0	4.1	(.8)	(.7)	1.2
Balance at End of Year	\$ 162.9	\$ 150.9	\$ 146.8	\$ 147.6	\$ 148.3
Loans and Leases at Year-End	\$18,144.6	\$15,374.5	\$13,646.9	\$12,588.2	\$10,937.4
Average Total Loans and Leases	\$16,548.6	\$14,547.8	\$13,315.0	\$11,812.9	\$10,332.1
As a Percent of Year-End Loans and Leases					
Net Loan Charge-Offs	.07%	.05%	.07%	.08%	.11%
Provision for Credit Losses	.13	.08	.07	.07	.11
Reserve Balance at Year-End	.90	.98	1.08	1.17	1.36
As a Percent of Average Loans and Leases					
Net Loan Charge-Offs	.07%	.06%	.07%	.08%	.11%
Reserve Balance at Year-End	.98	1.04	1.10	1.25	1.44

International Operations (Based on Obligor's Domicile)

See also Note 26 titled "Business Segments and Related Information" on page 74 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

Selected Average Assets and Liabilities Attributable to International Operations

(In Millions)	2000	1999	1998	1997	1996
Total Assets	\$5,171.0	\$4,595.1	\$3,883.9	\$3,507.7	\$2,365.5
Time Deposits with Banks	3,811.0	3,548.3	2,827.0	2,574.5	1,699.3
Other Money Market Assets	—	1.8	—	.1	.1
Loans	770.0	544.7	651.4	537.9	380.5
Customers' Acceptance Liability	1.2	.7	.7	.5	1.1
Foreign Investments	26.5	26.7	27.4	22.2	23.4
Total Liabilities	\$9,355.4	\$7,665.7	\$6,815.5	\$5,960.7	\$4,551.2
Deposits	9,072.9	7,443.1	6,640.9	5,747.2	4,435.7
Liability on Acceptances	1.2	.7	.7	.5	1.1

Percent of International Related Average Assets and Liabilities to Total Consolidated Average Assets

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Assets	15%	15%	14%	15%	11%
Liabilities	27	25	25	25	22

Reserve for Credit Losses Relating to International Operations

(In Millions)	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Balance at Beginning of Year	\$3.5	\$3.6	\$5.0	\$3.6	\$3.5
Charge-Offs	—	—	—	—	(.2)
Recoveries	—	—	—	—	.5
Provision for Credit Losses	(.1)	(.1)	(1.4)	1.4	(.2)
Balance at End of Year	\$3.4	\$3.5	\$3.6	\$5.0	\$3.6

The Securities and Exchange Commission requires the disclosure of the reserve for credit losses that is applicable to international operations. The above table has been prepared in compliance with this disclosure requirement and is used in determining international operating performance. The amounts shown in the table should not be construed as being the only amounts that are available for international loan charge-offs, since the entire reserve for credit losses is available to absorb losses on both domestic and international loans. In addition, these amounts are not intended to be indicative of future charge-off trends.

Distribution of International Loans and Deposits by Type

	<u>December 31</u>				
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Loans					
Commercial	\$480.5	\$377.4	\$298.3	\$240.1	\$226.6
Foreign Governments and Official Institutions	172.3	150.1	84.0	115.2	118.3
Banks	266.6	58.0	99.3	51.2	22.8
Other	37.4	40.1	16.2	63.7	14.3
Total	\$956.8	\$625.6	\$497.8	\$470.2	\$382.0

	<u>December 31</u>		
	<u>2000</u>	<u>1999</u>	<u>1998</u>
Deposits			
Commercial	\$ 6,926.1	\$5,251.5	\$5,261.0
Foreign Governments and Official Institutions	2,320.5	2,179.2	1,098.8
Banks	589.2	888.5	481.1
Other Time	565.4	445.6	512.3
Other Demand	14.1	14.1	16.4
Total	\$10,415.3	\$8,778.9	\$7,369.6

CREDIT RISK MANAGEMENT

For the discussion of Credit Risk Management, see the following information that is incorporated herein by reference to the Corporation's Annual Report to Shareholders for the year ended December 31, 2000:

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In addition, the schedules on pages 18 and 19 of this Form 10-K should be read in conjunction with the "Credit Risk Management" section:

Analysis of Reserve for Credit Losses

Reserve for Credit Losses Relating to International Operations

Distribution of International Loans and Deposits by Type

INTEREST RATE SENSITIVITY ANALYSIS

For the discussion of interest rate sensitivity, see the section entitled "Market Risk Management" on pages 44 to 46 of Management's Discussion and Analysis of Financial Condition and Results of Operations of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

The following unaudited Consolidated Balance Sheet and Consolidated Statement of Income for The Northern Trust Company were prepared in accordance with generally accepted accounting principles and are provided here for informational purposes. These consolidated financial statements should be read in conjunction with the footnotes accompanying the consolidated financial statements, included in the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, and incorporated herein by reference on page 27 of this Form 10-K.

The Northern Trust Company
Consolidated Balance Sheet (unaudited)

(In Millions)	December 31	
	2000	1999
Assets		
Cash and Due from Banks	\$ 2,088.3	\$ 1,779.7
Federal Funds Sold and Securities Purchased under Agreements to Resell	686.5	1,482.1
Time Deposits with Banks	5,191.0	2,291.4
Other Interest-Bearing Assets	342.1	253.7
Securities		
Available for Sale	6,165.3	5,091.8
Held to Maturity (Fair Value – \$693.1 in 2000 and \$683.2 in 1999)	690.1	696.1
Total Securities	6,855.4	5,787.9
Loans		
Commercial and Other	9,151.7	7,446.0
Residential Mortgages	3,341.0	3,125.1
Total Loans and Leases (Net of unearned income – \$364.8 in 2000 and \$319.6 in 1999)	12,492.7	10,571.1
Reserve for Credit Losses	(128.0)	(115.7)
Buildings and Equipment	338.3	293.6
Customers' Acceptance Liability	6.8	32.5
Trust Security Settlement Receivables	615.2	323.1
Other Assets	1,220.9	800.7
Total Assets	\$29,709.2	\$23,500.1
Liabilities		
Deposits		
Demand and Other Noninterest-Bearing	\$ 3,702.1	\$ 3,790.5
Savings and Money Market Deposits	3,146.5	3,002.3
Savings Certificates	1,317.5	1,408.3
Other Time	200.8	695.9
Foreign Offices—Demand	827.7	469.1
—Time	8,944.1	7,699.5
Total Deposits	18,138.7	17,065.6
Federal Funds Purchased	3,715.8	671.9
Securities Sold under Agreements to Repurchase	1,526.9	954.5
Other Borrowings	2,089.4	1,025.1
Senior Notes	500.0	500.0
Long-Term Debt	631.9	655.9
Liability on Acceptances	6.8	32.5
Other Liabilities	1,278.3	933.8
Total Liabilities	27,887.8	21,839.3
Stockholder's Equity		
Capital Stock—Par Value \$60	213.8	213.8
Surplus	245.3	245.3
Undivided Profits	1,363.2	1,203.0
Net Unrealized Loss on Securities Available for Sale	(.9)	(1.3)
Total Stockholder's Equity	1,821.4	1,660.8
Total Liabilities and Stockholder's Equity	\$29,709.2	\$23,500.1

The Northern Trust Company
Consolidated Statement of Income (unaudited)

(In Millions)	2000	1999	1998
Noninterest Income			
Trust Fees	\$ 748.5	\$ 599.7	\$ 522.9
Foreign Exchange Trading Profits	152.6	107.5	103.5
Treasury Management Fees	70.1	66.8	68.9
Security Commissions and Trading Income	.9	.5	.6
Other Operating Income	57.7	40.9	39.6
Investment Security Gains (net)	.3	.7	1.0
Total Noninterest Income	1,030.1	816.1	736.5
Interest Income			
Loans and Leases	762.0	623.0	597.9
Securities			
- Available for Sale	544.6	357.0	364.5
- Held to Maturity	36.7	29.5	24.8
Total Securities	581.3	386.5	389.3
Time Deposits with Banks	205.9	164.3	155.0
Federal Funds Sold, Securities Purchased under Agreements to Resell and Other	68.7	90.2	83.3
Total Interest Income	1,617.9	1,264.0	1,225.5
Interest Expense			
Deposits	670.4	465.9	471.0
Federal Funds Purchased	175.5	163.9	141.0
Securities Sold under Agreements to Repurchase	85.5	91.4	76.8
Other Borrowings	203.7	107.0	130.2
Senior Notes	34.3	30.6	36.5
Long-Term Debt	44.6	37.8	29.0
Total Interest Expense	1,214.0	896.6	884.5
Net Interest Income	403.9	367.4	341.0
Provision for Credit Losses	23.5	10.8	3.0
Net Interest Income after Provision for Credit Losses	380.4	356.6	338.0
Income before Noninterest Expenses	1,410.5	1,172.7	1,074.5
Noninterest Expenses			
Compensation	478.2	407.0	370.4
Employee Benefits	78.0	71.9	68.3
Occupancy Expense	59.5	50.7	46.7
Equipment Expense	57.6	50.3	50.5
Other Operating Expenses	243.3	182.4	154.4
Total Noninterest Expenses	916.6	762.3	690.3
Income before Income Taxes	493.9	410.4	384.2
Provision for Income Taxes	158.6	136.1	130.6
Net Income	\$ 335.3	\$ 274.3	\$ 253.6
Dividends Paid to the Corporation	\$ 175.0	\$ 75.0	\$ 75.0

Supplemental Item—Executive Officers of the Registrant

WILLIAM A. OSBORN

Mr. Osborn became Chairman of the Board of the Corporation and the Bank in October 1995, and Chief Executive Officer of the Corporation and the Bank in June 1995. Mr. Osborn, 53, began his career with the Bank in 1970.

BARRY G. HASTINGS

Mr. Hastings became President of the Corporation and the Bank in October 1995, and Chief Operating Officer of the Corporation and the Bank in June 1995. Mr. Hastings, 53, began his career with the Corporation in 1974.

ORIE L. DUDLEY

Mr. Dudley joined Northern Trust in October 2000 as an Executive Vice President and Chief Investment Officer of the Corporation and the Bank. From June 2000 through September 2000, Mr. Dudley, 56, was Chief Executive Officer and Acting Chief Investment Officer of Scottish Widows Investment Partnership, Ltd. He joined Scottish Widows Investment Management in January 1998 as Chief Executive Officer and oversaw the merger of that entity with Hill Samuel Asset Management to form Scottish Widows Investment Partnership, Ltd. in June 2000. Prior to joining Scottish Widows, Mr. Dudley served as Managing Director of Barclays Asset Management from January 1995 through December 1997.

DAVID L. EDDY

Mr. Eddy became a Senior Vice President of the Corporation and the Bank and Treasurer of the Corporation in 1986. Mr. Eddy, 64, joined the Bank in 1960.

JOHN P. GRUBE

Mr. Grube became an Executive Vice President of the Corporation and the Bank in May 2000, and is currently Chairman of the Credit Policy Committee. He had been a Senior Vice President of the Bank since November 1987 and had served as Credit Policy representative of PFS since October 1991 and Chairman of the Counterparty Risk Management Committee since April 1995. Mr. Grube, 54, joined the Bank in 1983.

JAMES J. MITCHELL

Mr. Mitchell became President - Worldwide Operations and Technology of the Corporation and the Bank in September 1999, and has served as an Executive Vice President of the Bank since December 1987 and of the Corporation since October 1994. Mr. Mitchell, 58, joined the Bank in 1964.

PERRY R. PERO

Mr. Pero became Vice Chairman of the Corporation and the Bank in September 1999, and has served as Chief Financial Officer of the Corporation and the Bank and Cashier of the Bank since September 1988. Mr. Pero is also head of the Risk Management Unit and Chairman of the Corporate Asset and Liability Policy Committee. He held the title of Senior Executive Vice President of the Corporation and the Bank from 1992 until September 1999. Mr. Pero, 61, joined the Bank in 1964.

PETER L. ROSSITER

Mr. Rossiter became President – C&IS of the Corporation and the Bank in September 2000, and has served as an Executive Vice President of the Corporation and the Bank since November 1992. He held the title of General Counsel of the Corporation and the Bank from April 1993 through July 2000, Secretary of the Corporation and the Bank from April 1993 through November 1997 and Assistant Secretary from December 1997 through September 2000. Mr. Rossiter, 52, was a partner in the law firm of Schiff Hardin & Waite prior to joining the Corporation and the Bank.

HARRY W. SHORT

Mr. Short became an Executive Vice President of the Corporation and the Bank in September 1999, and has served as Controller of the Corporation and the Bank since October 1994. He held the title of Senior Vice President of the Corporation and the Bank from 1990 through September 1999. Mr. Short, 53, joined the Corporation and the Bank in 1990, prior to which he was a partner in the accounting firm of KPMG Peat Marwick.

MARK STEVENS

Mr. Stevens became President - PFS of the Corporation and the Bank in January 1998, and has served as an Executive Vice President of the Corporation and the Bank since February 1996. He served as Chief Executive Officer and President of Northern Trust Bank of Florida N.A., from May 1987 through September 1996, and Chairman of Northern Trust Bank of Florida N.A. from January 1993 through September 1996. Mr. Stevens, 53, joined the Corporation in 1979.

STEPHEN B. TIMBERS

Mr. Timbers joined the Corporation and the Bank in February 1998, when he was named President - NTGI and an Executive Vice President of the Corporation and the Bank. From January 1996 to December 1997, Mr. Timbers, 56, was President, Chief Executive Officer and Chief Investment Officer of Zurich Kemper Investments, Inc. (formerly Kemper Financial Services, Inc.), the investment adviser to the Kemper Funds and the parent organization of Zurich Investment Management, Inc.

KELLY R. WELSH

Mr. Welsh joined the Corporation and the Bank in July 2000, when he was named an Executive Vice President and General Counsel and Assistant Secretary of the Corporation and the Bank. Mr. Welsh, 48, was an Executive Vice President and General Counsel of Ameritech Corporation from November 1996 through November 1999 and a Vice President and Associate General Counsel of that corporation from May 1993 through November 1996.

Item 2—Properties

The executive offices of the Corporation and the Bank are located at 50 South LaSalle Street in the financial district of Chicago. This Bank-owned building is occupied by various divisions of Northern Trust's business units. Financial services are provided by the Bank at this location. Adjacent to this building are two office buildings in which the Bank leases approximately 434,000 square feet of space principally for staff divisions of the business units. The Bank also leases approximately 40,000 square feet of a building at 125 South Wacker Drive in Chicago for banking operations and personal banking services. Financial services are also provided by the Bank at 17 other Chicago metropolitan area locations, five of which are owned and 12 of which are leased. The Bank's trust and banking operations are located in a 465,000 square foot facility at 801 South Canal Street in Chicago. In January 2000, the Bank closed on an agreement to purchase a building and adjacent land located across the street from the Chicago operations center. The building, which is located at 840 South Canal Street and contains approximately 340,000 square feet of office space, houses the computer data center and will be used for future expansion. Space for the Bank's London and Singapore branches, Edge Act subsidiary and The Northern Trust Company, Canada are leased. In November 2000, the Bank entered into an agreement to lease 120,000 square feet of office space upon completion of a building to be constructed at Canary Wharf in London. A majority of the Bank's London-based staff will be relocated to the facility during 2002. Space for Northern Trust Retirement Consulting, L.L.C. is leased in Atlanta, Georgia, with an additional 12,629 square feet of office space to be added to the existing 127,600 square feet of office space in 2001. The Corporation's other subsidiaries operate from 76 locations, 13 of which are owned and 63 of which are leased. The addresses of all Northern Trust's locations can be found on pages 84 and 85 in the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

The Corporation believes that its owned and leased facilities are suitable and adequate for its business needs. For additional information relating to properties and lease commitments, refer to Note 7 titled "Buildings and Equipment" and Note 8 titled "Lease Commitments" on pages 58 and 59 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, which information is incorporated herein by reference.

Item 3—Legal Proceedings

The information called for by this item is incorporated herein by reference to Note 19 titled "Contingent Liabilities" on page 67 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Item 4—Submission of Matters to a Vote of Security Holders

None.

PART II

Item 5—Market for Registrant's Common Equity and Related Stockholder Matters

The information called for by this item is incorporated herein by reference to the section of the Consolidated Financial Statistics titled "Common Stock Dividend and Market Price" on page 79 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Information regarding dividend restrictions of the Corporation's banking subsidiaries is incorporated herein by reference to Note 14 titled "Restrictions on Subsidiary Dividends and Loans or Advances" on page 63 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Item 6—Selected Financial Data

The information called for by this item is incorporated herein by reference to the table titled "Summary of Selected Consolidated Financial Data" on page 27 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations

The information called for by this item is incorporated herein by reference to "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 27 through 48 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Item 7A—Quantitative and Qualitative Disclosures About Market Risk

The information called for by this item is incorporated herein by reference to Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 44 through 46 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000.

Item 8—Financial Statements and Supplementary Data

The following financial statements of the Corporation and its subsidiaries included in the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, are incorporated herein by reference.

	2000 Annual Report Page(s)
For Northern Trust Corporation and Subsidiaries:	
Consolidated Balance Sheet—December 31, 2000 and 1999	49
Consolidated Statement of Income—Years Ended December 31, 2000, 1999 and 1998	50
Consolidated Statement of Comprehensive Income—Years Ended December 31, 2000, 1999 and 1998	50
Consolidated Statement of Changes in Stockholders' Equity—Years Ended December 31, 2000, 1999 and 1998	51
Consolidated Statement of Cash Flows—Years Ended December 31, 2000, 1999 and 1998	52
For Northern Trust Corporation (Corporation Only)	
Condensed Balance Sheet—December 31, 2000 and 1999	76
Condensed Statement of Income—Years Ended December 31, 2000, 1999 and 1998	76
Consolidated Statement of Comprehensive Income—Years Ended December 31, 2000, 1999 and 1998	50
Consolidated Statement of Changes in Stockholders' Equity—Years Ended December 31, 2000, 1999 and 1998	51
Condensed Statement of Cash Flows—Years Ended December 31, 2000, 1999 and 1998	77
Notes to Consolidated Financial Statements	53–77
Report of Independent Public Accountants	78

The section titled "Quarterly Financial Data" on page 79 of the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, is incorporated herein by reference.

Item 9—Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10—Directors and Executive Officers of the Registrant

The information called for by Item 10 relating to Directors and Nominees for election to the Board of Directors is incorporated herein by reference to pages 4 through 7 of the Corporation's definitive 2001 Notice and Proxy Statement filed on March 12, 2001 in connection with the solicitation of proxies for the Annual Meeting of Stockholders to be held April 17, 2001. The information called for by Item 10 relating to Executive Officers is set forth in Part I of this Annual Report on Form 10-K. The information called for by Item 10 relating to Item 405 disclosure of delinquent Form 3, 4 or 5 filers is incorporated by reference to page 10 of the Corporation's definitive 2001 Notice and Proxy Statement filed on March 12, 2001 in connection with the solicitation of proxies for the Annual Meeting of Stockholders to be held April 17, 2001.

Item 11—Executive Compensation

The information called for by this item is incorporated herein by reference to page 9 and pages 15 through 24 of the Corporation's definitive 2001 Notice and Proxy Statement filed in connection with the solicitation of proxies for the Annual Meeting of Stockholders to be held April 17, 2001.

Item 12—Security Ownership of Certain Beneficial Owners and Management

The information called for by this item is incorporated herein by reference to pages 11 through 14 of the Corporation's definitive 2001 Notice and Proxy Statement filed in connection with the solicitation of proxies for the Annual Meeting of Stockholders to be held April 17, 2001.

Item 13—Certain Relationships and Related Transactions

The information called for by this item is incorporated herein by reference to pages 9 and 10 of the Corporation's definitive 2001 Notice and Proxy Statement filed in connection with the solicitation of proxies for the Annual Meeting of Stockholders to be held April 17, 2001.

PART IV

Item 14—Exhibits, Financial Statement Schedules, and Reports on Form 8-K

Item 14(a)(1) and (2)—Northern Trust Corporation and Subsidiaries List of Financial Statements and Financial Statement Schedules

The following financial information is set forth in Item 1 for informational purposes only:

Financial Information of The Northern Trust Company (Bank Only):

Unaudited Consolidated Balance Sheet•December 31, 2000 and 1999.

Unaudited Consolidated Statement of Income•Years Ended December 31, 2000, 1999 and 1998.

The following consolidated financial statements of the Corporation and its subsidiaries are incorporated by reference into Item 8 from the Corporation's Annual Report to Shareholders for the year ended December 31, 2000:

Consolidated Financial Statements of Northern Trust Corporation and Subsidiaries:

Consolidated Balance Sheet•December 31, 2000 and 1999.

Consolidated Statement of Income•Years Ended December 31, 2000, 1999 and 1998.

Consolidated Statement of Comprehensive Income•Years Ended December 31, 2000, 1999 and 1998.

Consolidated Statement of Changes in Stockholders' Equity•Years Ended December 31, 2000, 1999 and 1998.

Consolidated Statement of Cash Flows•Years Ended December 31, 2000, 1999 and 1998.

The following financial information is incorporated by reference into Item 8 from the Corporation's Annual Report to Shareholders for the year ended December 31, 2000:

Financial Statements of Northern Trust Corporation (Corporation):

Condensed Balance Sheet•December 31, 2000 and 1999.

Condensed Statement of Income•Years Ended December 31, 2000, 1999 and 1998.

Consolidated Statement of Comprehensive Income•Years Ended December 31, 2000, 1999 and 1998.

Consolidated Statement of Changes in Stockholders' Equity•Years Ended December 31, 2000, 1999 and 1998.

Condensed Statement of Cash Flows•Years Ended December 31, 2000, 1999 and 1998.

The Notes to Consolidated Financial Statements as of December 31, 2000, incorporated by reference into Item 8 from the Corporation's Annual Report to Shareholders for the year ended December 31, 2000, pertain to the Bank only information, consolidated financial statements and Corporation only information listed above.

The Report of Independent Public Accountants incorporated by reference into Item 8 from the Corporation's Annual Report to Shareholders for the year ended December 31, 2000 pertains to the consolidated financial statements and Corporation only information listed above.

Financial statement schedules have been omitted for the reason that they are not required or are not applicable.

Item 14(a)3—Exhibits

The exhibits listed on the Exhibit Index beginning on page 32 of this Form 10-K are filed herewith or are incorporated herein by reference to other filings.

Item 14(b)—Reports on Form 8-K

In a report on Form 8-K dated October 16, 2000, Northern Trust incorporated by reference in Item 5 its October 16, 2000 press release, reporting on its earnings for the third quarter and nine months of 2000. The press release, with summary financial information, was filed as an exhibit pursuant to Item 7 of the Form 8-K.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Form 10-K Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 15, 2001

Northern Trust Corporation
(Registrant)
By: William A. Osborn
William A. Osborn
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Form 10-K Annual Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>
<u>William A. Osborn</u> <i>William A. Osborn</i>	Chairman of the Board, Chief Executive Officer and Director
<u>Perry R. Pero</u> <i>Perry R. Pero</i>	Vice Chairman and Chief Financial Officer
<u>Harry W. Short</u> <i>Harry W. Short</i>	Executive Vice President and Controller (Chief Accounting Officer)

Duane L. Burnham
Dolores E. Cross
Susan Crown
Robert S. Hamada
Barry G. Hastings
Arthur L. Kelly
Robert C. McCormack
Edward J. Mooney
Harold B. Smith
William D. Smithburg
Bide L. Thomas

Director
Director
Director
Director
Director
Director
Director
Director
Director
Director

— By: Kelly R. Welsh
Kelly R. Welsh
Attorney-in-Fact

Date: March 15, 2001

EXHIBIT INDEX

The following Exhibits are filed herewith or are incorporated herein by reference.

Exhibit Number	Description	Exhibit Incorporated By Reference to Exhibit of Same Name In Prior Filing* Or Filed Herewith
(3)	Articles of Incorporation and By-laws	
	(i) Restated Certificate of Incorporation of Northern Trust Corporation as amended to date.	(19)
	(ii) By-laws as amended to date.	(17)
(4)	Instruments Defining the Rights of Security Holders	
	(i) Form of The Northern Trust Company's Global Senior Bank Note (Fixed Rate)	(18)
	(ii) Form of The Northern Trust Company's Global Senior Bank Note (Floating Rate)	(20)
	(iii) Form of The Northern Trust Company's Global Subordinated Bank Note (Fixed Rate)	(18)
	(iv) Form of The Northern Trust Company's Global Subordinated Bank Note (Floating Rate)	(20)
	(v) Junior Subordinated Indenture, dated as of January 1, 1997, between Northern Trust Corporation and The First National Bank of Chicago, as Debenture Trustee	(6)
	(vi) Amended Certificate of Designations of Series A Junior Participating Preferred Stock dated October 29, 1999	(18)
(10)	Material Contracts	
	(i) Northern Trust Corporation Amended Incentive Stock Plan, as amended May 20, 1986 **	(1)
	(1) Amendment dated November 1, 1996.	(5)
	(ii) Lease dated July 1, 1988 between American National Bank & Trust Company of Chicago as Trustee under Trust Agreement dated February 12, 1986 and known as Trust No. 66603 (Landlord) and Nortrust Realty Management, Inc. (Tenant). . .	(2)
	(iii) Restated Northern Trust Employee Stock Ownership Plan, dated January 1, 1989, as amended November 21, 1995 and April 26, 1996	(5)
	(1) Amendments effective January 1, 1996 to the Northern Trust Employee Stock Ownership Plan for former employees of Tanglewood Bank, N.A.	(7)
	(2) Amendment effective September 30, 1996 to the Northern Trust Employee Stock Ownership Plan for certain former employees of First Chicago NBD Corporation	(7)
	(3) Amendments effective January 1, 1997 to the Northern Trust Employee Stock Ownership Plan for former employees of Bent Tree National Bank. . . .	(7)
	(4) Amendment dated March 25, 1998 to the Northern Trust Employee Stock Ownership Plan	(9)
	(5) Amendment effective May 14, 1998 to the Northern Trust Employee Stock Ownership Plan	(11)
	(6) Amendment effective August 1, 1998 to the Northern Trust Employee Stock Ownership Plan	(11)
	(7) Amendment effective December 31, 1998 to the Northern Trust Employee Stock Ownership Plan	(14)

(8) Amendments effective January 1, 1999 to the Northern Trust Employee Stock Ownership Plan	(16)
(9) Amendment effective October 1, 1999 to the Northern Trust Employee Stock Ownership Plan	(18)
(10) Amendment effective April 1, 2000 to the Northern Trust Employee Stock Ownership Plan.....	(19)
(11) Amendment effective July 1, 2000 to the Northern Trust Employee Stock Ownership Plan.....	(20)
(iv) Trust Agreement between The Northern Trust Company and Citizens and Southern Trust Company (Georgia), N.A., (predecessor of NationsBank which, effective January 1, 1998, was succeeded by U.S. Trust Company, N.A.) dated January 26, 1989.	(3)
(1) Amendment dated February 21, 1995	(8)
(2) Amendment dated January 2, 1998	(9)
(v) Implementation Agreement dated June 26, 1996 between the Registrant, The Northern Trust Company, the ESOP Trust and NationsBank (South) N.A. as Trustee (effective January 1, 1998, U.S. Trust Company, N.A. as successor Trustee)	(4)
(vi) Term Loan Agreement between the ESOP Trust and the Registrant dated June 28, 1996	(4)
(1) Amendment dated as of June 30, 1999	(17)
(vii) Deferred Compensation Plans Trust Agreement dated May 11, 1998 between Northern Trust Corporation and Harris Trust and Savings Bank as Trustee (which, effective August 31, 1999, was succeeded by U.S. Trust Company, N.A.) regarding the Restated Supplemental Employee Stock Ownership Plan for Employees of The Northern Trust Company, the Restated Supplemental Thrift-Incentive Plan for Employees of The Northern Trust Company, the Restated Supplemental Pension Plan for Employees of The Northern Trust Company, and the Northern Trust Corporation Deferred Compensation Plan** ..	(11)
(1) Amendment dated August 31, 1999	(17)
(2) Amendment dated as of May 16, 2000.....	(19)
(viii) Restated Northern Trust Corporation Supplemental Employee Stock Ownership Plan as amended and restated as of July 20, 1999**	(17)
(1) Amendment dated as of May 16, 2000.....	(19)
(ix) Restated Supplemental Thrift-Incentive Plan for Employees of The Northern Trust Company as amended and restated as of July 20, 1999**	(17)
(1) Amendment dated December 31, 1999	(18)
(2) Amendment dated as of May 16, 2000.....	(19)
(x) Restated Northern Trust Corporation Supplemental Pension Plan as amended and restated as of July 20, 1999**	(17)
(1) Amendment dated as of May 16, 2000.....	(19)
(xi) Northern Trust Corporation Deferred Compensation Plan dated as of May 1, 1998**	(11)
(1) Amendment dated as of May 16, 2000.....	(19)
(xii) Rights Agreement, dated as of July 21, 1998, between Northern Trust Corporation and Norwest Bank Minnesota, N.A.	(10)
(1) Amendment No. 1 to Rights Agreement dated as of November 18, 1998.	(12)
(2) Amendment No. 2 to Rights Agreement dated as of February 16, 1999	(13)
(xiii) Lease dated as of November 29, 2000 between Lasalle Bank National Association, as successor trustee to American National Bank & Trust Company of Chicago as Trustee under Trust Agreement dated April 5, 1990 and known as Trust No. 110513-07 (Landlord) and The Northern Trust Company (Tenant).	

Filed Herewith

(xiv)	Lease dated December 29, 2000 between Metropolitan Life Insurance Company (Landlord) and The Northern Trust Company (Tenant)	Filed Herewith
(xv)	Amended 1992 Incentive Stock Plan**.	(7)
	(1) Amendment dated January 20, 1998	(16)
	(2) Amendment dated September 15, 1998	(16)
	(3) Amendment dated May 18, 1999	(16)
(xvi)	Northern Trust Corporation (1999) Management Performance Plan**	(15)
(xvii)	Northern Trust Corporation (2000) Annual Performance Plan**	(19)
(xviii)	Northern Trust Corporation 1997 Stock Plan for Non-Employee Directors**	(14)
(xix)	Northern Trust Corporation 1997 Deferred Compensation Plan for Non-Employee Directors As Amended**	(14)
(xx)	Form of Employment Security Agreement entered into between Northern Trust Corporation and each of 8 executive officers - as amended**	(4)
(xxi)	Form of Employment Security Agreement entered into between Northern Trust Corporation and each of 40 officers**	(4)
(xxii)	Form of Employment Security Agreement entered into between Northern Trust Corporation and each of 5 officers**	(4)
(xxiii)	Amended and Restated Trust Agreement of NTC Capital I, dated as of January 16, 1997, among Northern Trust Corporation, as Depositor, The First National Bank of Chicago, as Property Trustee, First Chicago Delaware, Inc., as Delaware Trustee, and the Administrative Trustees named therein	(6)
(xxiv)	Guarantee Agreement, dated as of January 16, 1997, relating to NTC Capital I, by and between Northern Trust Corporation, as Guarantor, and The First National Bank of Chicago, as Guarantee Trustee	(6)
(xxv)	Amended and Restated Trust Agreement of NTC Capital II, dated as of April 25, 1997, among Northern Trust Corporation, as Depositor, The First National Bank of Chicago, as Property Trustee, First Chicago Delaware, Inc., as Delaware Trustee, and the Administrative Trustees named therein	(7)
(xxvi)	Guarantee Agreement, dated as of April 25, 1997, relating to NTC Capital II, by and between Northern Trust Corporation, as Guarantor, and The First National Bank of Chicago, as Guarantee Trustee.	(7)
(xxvii)	Agreement between Fiserv Solutions, Inc. and The Northern Trust Company dated as of October 20, 1998	(14)
(xxviii)	Agreement for Lease between Heron Quays Properties Limited (Developer) and Northern Trust Company (Tenant) dated as of November 15, 2000	The Filed Herewith
(xxix)	Lease Agreement between Perimeter Summit Parcel 3 Limited Partnership (Landlord) and Northern Trust Retirement Consulting, L.L.C. (Tenant) dated as of November 5, 1999	Filed Herewith
	(1) First Amendment dated as of February 29, 2000	Filed Herewith
	(2) Second Amendment dated as of September 8, 2000	Filed Herewith
(13)	2000 Annual Report to Shareholders.	Filed Herewith
(21)	Subsidiaries of the Registrant.	Filed Herewith
(23)	Consent of Independent Public Accountants	Filed Herewith
(24)	Powers of Attorney.	Filed Herewith
(99)	Additional Exhibits	
(i)	Corporate Governance Guidelines Adopted May 16, 2000	(19)

*Prior Filings (File No. 0-5965)

- (1) Quarterly Report on Form 10-Q for the quarter ended September 30, 1986
- (2) Annual Report on Form 10-K for the year ended December 31, 1988
- (3) Form 8-K dated January 26, 1989
- (4) Quarterly Report on Form 10-Q for the quarter ended June 30, 1996
- (5) Quarterly Report on Form 10-Q for the quarter ended September 30, 1996
- (6) Form 8-K dated January 22, 1997
- (7) Quarterly Report on Form 10-Q for the quarter ended March 31, 1997
- (8) Annual Report on Form 10-K for the year ended December 31, 1997
- (9) Quarterly Report on Form 10-Q for the quarter ended March 31, 1998
- (10) Form 8-A dated July 24, 1998
- (11) Quarterly Report on Form 10-Q for the quarter ended June 30, 1998
- (12) Form 8-K dated November 20, 1998
- (13) Form 8-K dated February 19, 1999
- (14) Annual Report on Form 10-K for the year ended December 31, 1998
- (15) Quarterly Report on Form 10-Q for the quarter ended March 31, 1999
- (16) Quarterly Report on Form 10-Q for the quarter ended June 30, 1999
- (17) Quarterly Report on Form 10-Q for the quarter ended September 30, 1999
- (18) Annual Report on Form 10-K for the year ended December 31, 1999
- (19) Quarterly Report on Form 10-Q for the quarter ended June 30, 2000
- (20) Quarterly Report on Form 10-Q for the quarter ended September 30, 2000

** Denotes management contract or compensatory plan or arrangement

Upon written request to Rose A. Ellis, Secretary, Northern Trust Corporation, 50 South LaSalle Street, Chicago, Illinois 60675, copies of exhibits listed above are available to Northern Trust Corporation stockholders by specifically identifying each exhibit desired in the request.

Pursuant to Item 601(b)(4)(iii) of Regulation S-K, the Corporation hereby agrees to furnish the Commission, upon request, any instrument defining the rights of holders of long-term debt of the Corporation not filed as an exhibit herein. No such instrument authorizes long-term debt securities in excess of 10% of the total assets of the Corporation and its subsidiaries on a consolidated basis.